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CENTRAL INTELLIGENCE AGENCY

16 July 1971

MEMORANDUM FOR: Mr. David Mark, State (INR)
[redacted] USN, DIA
Boards and
Estimates Division, NSA

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SUBJECT : Yugoslavia

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1. NSSM 129 asked for an "intelligence appraisal... of the internal and external factors that will be of major influence on the course of events after President Tito's departure." The NSSM directed that this be done by CIA and the intelligence community.

2. Accordingly, we ask that representatives meet with us at CIA Headquarters at 1400, Thursday, 22 July, to discuss the principal judgments of this Memorandum.

3. This study will be a working paper contributed to the NSSM group and will not go before USIB. Hence, we are sending fewer copies than is the normal for a draft NIE.

4. Please telephone [redacted] by 1000, Thursday, 22 July, to give her the names of your representatives and their clearances. Arrangements will be made for them to enter the building at the Main Entrance.

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[redacted]
JOHN HUIZENGA
Director
National Estimates

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13 July 1971

~~MEMORANDUM~~

SUBJECT: Yugoslavia (Draft for Board Consideration)

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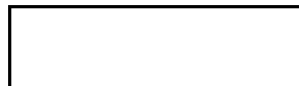


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ANNEXES:

- A. Basic Information
- B. Yugoslav Military Capabilities
- C. Soviet Military Capabilities Vis-a-vis Yugoslavia



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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

16 July 1971

MEMORANDUM

SUBJECT: Yugoslavia

PRINCIPAL OBSERVATIONS
(to follow)

I. INTRODUCTION

1. Yugoslavia is a country with a painful history and a troubled present. Its society is diverse, its economy backward, its location unfortunate. Its political system lacks tradition, rejects the precepts of both East and West, and moves in uncertain directions. And now time is running out for Tito, the one remarkable man who has held all this together for the past twenty-six years.

2. But it is not all a litany of woe. Yugoslavia has, in fact, achieved a certain strength through adversity. The

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Tito regime has survived great external pressures and much domestic disarray. It has moved into new areas of political action and social thought, has substantially improved the economic well-being of most of the population, and has almost entirely abandoned fear and repression as instruments of rule. Finally, it has won for Yugoslavia a position of international influence and respect and even security far greater than its size and place in the world would seem to justify.

3. But what of the uncertain future? Deep-seated and bitter national antagonisms are once again emerging and finding ways to express themselves on the political scene. Relations with the Soviet Bloc are becoming increasingly uneasy. Will a sense of common purpose and of common peril endure without Tito? Will Yugoslav unity and courage persist in the event of renewed threats from the Soviet Union? Will, in fact, Yugoslavia outlive Tito?

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II. THE YUGOSLAV SYSTEM ON THE THRESHOLD OF THE SUCCESSION PERIOD

4. For more than 20 years the Yugoslavs have been feeling their way toward the establishment of a decentralized socialist state, gradually discarding some of the more doctrinaire tenets of Communism in favor of a freer, more open system. The process has recently been accelerated by an awareness that the succession process must be institutionalized and the major features of the reforms enshrined in constitutional law if chaos is to be avoided when Tito leaves the scene.

5. The social system which Belgrade has been building -- and which it has labeled "self-management" -- is incredibly complex. Many of its features -- including those still in the planning stage -- have no parallel or historical precedent in political or economic practice anywhere else in the world. The Yugoslavs themselves do not seem to have any very clear idea of where they are heading. The room for confusion and error is thus great, and judgments concerning the evolution and viability of the Yugoslav experiment must thus be conditional.

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The Political System

6. Decentralization is the key feature of the Yugoslav political system. The country is moving toward a loose federation of nearly autonomous republics with the authority of the central government restricted mainly to conducting foreign policy, providing for national defense, regulating and maintaining a "unified national market", channeling funds from the richer to the poorer areas, and arbitrating regional disputes. All other functions and responsibilities -- together with control of the bulk of the nation's material resources -- will be surrendered.

7. Decentralization -- and a parallel increase in the authority of elective organs of government -- goes far beyond a flat transfer of power from Belgrade to the republican capitals. Tito's blueprint also requires the exercise of considerable autonomy -- backed by adequate independent financial resources -- at the local level, i.e., at the level of the municipality (opstina) and of the individual economic enterprise or institution. Increased efficiency is not the only objective. Belgrade clearly hopes that the proliferation of decision-making

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